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SENSITIVE
SIPDIS

STATE FOR ISN/ECC - JFRIEDMAN, ACHURCH, NJOHANSON, AND ROWEN
STATE FOR EAP/TC - NTALBOT, DPARKER, TMANN
STATE FOR ISN/MTR - PDURHAM, SBOYER, JMAYES, AND RPALMIERO
DHS/CBP/INA FOR RGONZALEZ
DOE/NNSA/INECP FOR TPERRY AND SJONES

E.O. 12958: N/A

TAGS: [ETTC](#) [MNUC](#) [PARM](#) [PREL](#) [KSTC](#) [KNNP](#) [TW](#)

SUBJECT: EXBS: TAIWAN MONTHLY REPORTING CABLE - AUGUST 2009

REF: Taipei 405

I. BROAD ITEMS OF INTEREST TO ADVISORS AND AGENCY MANAGERS:

None.

II. COMPLETED ACTIONS FOR THE REPORTING PERIOD

A. MEETINGS DURING THE REPORTING PERIOD:

1. (SBU) On July 21, the Advisor and the EconChief met with Lin, Sheng-Chung, Vice Minister of the Taiwan Ministry of Economic Affairs (MOEA). The meeting was to provide first-hand knowledge of EXBS work in Taiwan and to elevate export control discussions above the working level.

(SBU) Vice Minister Lin thanked EXBS for the training programs conducted since 2007. He stated that he understands that the training portion of EXBS will end in a couple of years. He also stated that it is unclear, at this point, how export control work will be managed by MOEA once the ministerial reorganization takes affect after 2010. The Advisor stated that, since MOEA will be reorganized next year, this would be an opportune time to elevate the work of export controls within MOEA so that it is commensurate with countries that are at similar level of development as Taiwan; that, currently, Taiwan lags far behind places like Hong Kong, Singapore, and South Korea, in the way export controls is managed. He responded that he would look into the issue. However, a meeting with the National Security Council would be helpful if the goal is to elevate the work within MOEA.

(SBU) VM Lin also expressed certain views with regard to the on-going US-Taiwan bilateral cooperation. These views will be sent via email to appropriate offices in DC.

2. (SBU) On July 24, the Advisor met with Professor Liu, Fu-Kuo of Institute of International Relations, National Chengchi University, to get a read-out on the WMD Study Group meeting of the Council on Security Cooperation in the Asia Pacific (CSCAP) that took place in Beijing on June 28 - 30. He said Taiwan and China are finalizing their cooperation on translating a WMD manual into Chinese so that Taiwan and China can use one manual. (Note: Taiwan uses traditional Chinese script and China uses simplified Chinese script.) He said even though Taiwan has participated since the founding of CSCAP, it has done so as a guest of USCSCAP. He expressed his appreciation for the work of USCSCAP to make Taiwan's participation in this NGO group possible. He hopes that Taiwan can be a full CSCAP member in the future. See reftel A.

3. (SBU) On July 27, the Advisor met with the Chang, Chih-Yu (James), Director of the Office of Homeland Security, Executive Yuan. Director Chang transferred in March from the Department of Information and Liaison of the Mainland Affairs Council. While Mr.

Chang does not have an export control background, he has consulted BOFT and has visited Container Security Initiative and Megaports operations in Kaohsiung to get a better understanding of US-Taiwan cooperation in the nonproliferation area. He stated that Taiwan's biggest concern is industry compliance; Taiwan companies endlessly complain about compliance with export controls and how any measure to strengthen it will affect their bottom line. The Advisor responded that industry complaint about export controls is not unique to Taiwan; that all companies, everywhere complain about export controls. Regardless, export controls is an international security issue that all of us must be vigilant in strengthening so that no place provides an avenue for proliferation of WMD. She also reiterated that officials should explain to industry what the rules are, and how companies can comply with the rules, but in the end, officials are responsible for national security and foreign policy, not the private sector.

(SBU) Director Chang stated that export controls is not Taiwan's top priority. Additionally, few high-level officials truly understand what export controls is and how the management of it affects Taiwan's international standing. Currently, Taiwan simply follows the footsteps of the US. Furthermore, the main concern for Taiwan is controlling commodities exported to China. (Note: Taiwan has stricter rules on exports of certain commodities to China than the US.) For goods shipped to other countries, such as Iran or North Korea, export controls is less of a concern for Taiwan.

(SBU) Director Chang agreed with the advice and comments from the Advisor regarding certain deficiencies in Taiwan's export control system and ways to remedy them. He stated he would explore whether his office can host regular interagency meetings on export controls so that the issues such as elevating export control discussion to a higher level; additional personnel commitment; interagency coordination and license review; and increase in penalty for violations, stay in the forefront of Taiwan authorities' discussions. (Note: An interagency export control committee exists within BOFT but that committee has not met for over a year. When repeatedly asked why BOFT does not call an interagency committee meeting, the response has been BOFT does not have the personnel to work on it.)

(SBU) Director Chang agreed that export control issues need to be elevated to a higher level and stated that he would bring up the issue during his weekly meeting with Taiwan's Premier. He also stated that he has regular contact with officials of Taiwan National Security Council so he would use those opportunities to get the message across. (Note: AIT ADIR raised export control issues with the National Security Council Secretary General Su Chi during a meeting the week of August 10. He proposed assigning this portfolio to a senior NSC official, raising the level of the office within BOFT in charge of this portfolio, and creating an NGO to provide information and research on non-proliferation issues to Taiwan authorities. Secretary General Su Chi agreed that Taiwan needs to increase priority and instructed his deputy to coordinate these efforts.)

(SBU) Director Chang stated, initially, his office would see if a task force can be formed to work on the following suggested areas: (1) fix the technology controls discrepancy in export control regulations; (2) pass legislation to increase penalty for violations; (3) allocate additional resource, including creating an NGO, for nonproliferation work; and (4) establish a policy-making and coordinating body within Taiwan authorities for export controls.

(SBU) Director Chang and the Advisor agreed to meet regularly (once every one or two months) to check on the progress of the task force.

B. BLUE LANTERN:

The Advisor conducted two (2) Blue Lantern checks. Results have been directly reported to PM/DDTC.

III. TRAINING CONDUCTED DURING REPORTING PERIOD:

(U) The last of the currently funded ICP workshop took place in

Taipei on July 13-14.

IV. UPCOMING TRAINING:

1. (U) A Commodity Identification Training program, implemented by the Department of Energy, is scheduled for August 12-14 in Taipei.

2. (U) An ICP Administrator Training is scheduled for August 27-28 in Taipei.

3. (SBU) Export control meetings scheduled to take place in Washington, D.C. on September 10 - 11. The Advisor will accompany Taiwan officials to the meetings.

V. RED FLAG ISSUES:

None.

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WANG